

251.440 Application for license as grain warehouse operator or grain dealer -- Grounds for denial of new license or revocation of existing license -- Notice and hearing -- Confidentiality of documents.

- (1) Application for license as a grain warehouse operator or grain dealer shall:
 - (a) Set forth the name of the applicant, its principal officer, if a corporation, or the active members of a partnership if a partnership;
 - (b) Identify the location or locations of the principal office or place of business and the locations in this state at which the applicant proposes to engage in this business;
 - (c) Be accompanied by a bond as set forth in KRS 251.365. The bond shall run to the Commonwealth of Kentucky and be for the benefit of all persons storing grain in the licensee's warehouse or selling grain to the licensee; and
 - (d) Be accompanied by a compilation of financial statements issued by a certified public accountant who has stated in writing whether he or she is independent from ownership and management, or one (1) of the documents identified in KRS 251.370(8), provided, however, a grain dealer license applicant whose total annual purchases in each of the last three (3) years did not exceed fifty thousand (50,000) bushels shall be exempt from the requirement set forth in this subsection.
- (2) The department may deny a license to any applicant or revoke the existing license if the applicant or licensee:
 - (a) Furnishes false or misleading information or conceals a material fact on the application or other supporting documents;
 - (b) Has been convicted of fraud or deceptive practice;
 - (c) Is currently adjudicated incompetent by a court of competent jurisdiction;
 - (d) Fails to maintain an asset to liability ratio of not less than one to one (1:1) or fails to post additional surety to cover the deficiency;
 - (e) Violates a provision of this chapter; or
 - (f) For other good cause shown.
- (3) Any person denied a license or whose license has been revoked for these reasons shall:
 - (a) Be given written notice within thirty (30) working days of receipt of application or prior to revocation; and
 - (b) May request a hearing by writing to the board. Upon request, a hearing shall be conducted in accordance with KRS Chapter 13B.
- (4) The department shall not approve an application for a grain warehouse operator's license without first verifying that the application meets the requirements of this section.
- (5) The department shall not approve an application for a grain dealer's license without first verifying that the application meets the requirements of this section.
- (6) The department shall keep confidential, and not disclose to anyone other than the

applicant or licensee, the documents identified in this section and KRS 251.370.

Effective: July 15, 2020

History: Amended 2020 Ky. Acts ch. 114, sec. 2, effective July 15, 2020. -- Amended 2019 Ky. Acts ch. 88, sec. 19, effective August 1, 2019. -- Amended 2016 Ky. Acts ch. 36, sec. 2, effective July 15, 2016. -- Amended 2005 Ky. Acts ch. 125, sec. 3, effective June 20, 2005. -- Amended 1996 Ky. Acts ch. 318, sec. 176, effective July 15, 1996. -- Amended 1990 Ky. Acts ch. 396, sec. 1, effective July 13, 1990. -- Amended 1984 Ky. Acts ch. 389, sec. 17, effective July 13, 1984. -- Amended 1972 Ky. Acts ch. 347, sec. 3. -- Created 1970 Ky. Acts ch. 252, sec. 4.